

Training Workshop Report

DRAFT

THE FINANCIAL SUSTAINABILITY OF NGOs

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1 GENERAL DEVELOPMENT OBJECTIVE

The purpose of this training activity was to help Malian NGOs strengthen their strategic management capacities as a way to optimize their human, material and financial resources.

2 WORKSHOP GOAL

The goal of the workshop was institutional capacity-building for Malian NGOs, based on a discussion of the key determinants of an effective NGO. By building the capacities of an NGO's management team, specifically in the area of strategic and operational planning and with a special emphasis on financial management and oversight of outputs and risks, the workshop can help to ensure the sustainability of the NGO.

3 IMMEDIATE OBJECTIVES

At the end of the workshop, at least 80% of the participants will have acquired knowledge in the following areas:

- 1) Financial strategic planning
- 2) A minimum of three tools for diversifying an organization's funding sources, including local funding sources
- 3) A minimum of two techniques for maximizing the return on assets

4 TARGETED CLIENTELE

To ensure the homogeneity of the participants and the quality of the exchanges among peers, the USAID office in Mali issued the workshop invitation to permanent members of the management teams of NGOs that have partnership arrangements with American PVOs. The letter of invitation also stipulated that the officials nominated for the training needs analysis, which took place on August 20, 21 and 22, must also give assurances of their availability for the entire duration of the workshop on the financial sustainability of NGOs.

Thirty-nine individuals from 28 organizations accepted our invitation to participate in both the needs analysis and the training workshop. The workshop was held at the Grand Hotel in Bamako on September 24-28 from 9 a.m. to 5 p.m.

Annex 1 provides the name and address of each participant.

Annex 1: List of participants

The following information was gathered during the interviews:

4.1 Affiliation with an American NGO

The following table indicates the affiliation of the participating NGOs:

PVO partner	CARE	Save the Children	World Education	CLUSA
# of affiliated NGOs	6	6	9	4

4.2 Areas of intervention

The NGOs are involved in the following areas of intervention:

- Education
- Economic development
- Health
- Agriculture
- Decentralization
- Governance and democracy
- Environment
- Water engineering
- Advisory support

Primary funding sources Donor grants: 96%

Internal income sources: 4%

N.B. The tables and graphs included in the section on training content were derived by compiling the results of the needs analysis for the NGOs that we interviewed and that agreed to share this information with us:

- ↗ L'organigramme de l'ONG
- ↗ NGO organizational structure
- ↗ Progress reports for the last two years
- ↗ Financial statements (if available)
- ↗ Strategic plan (if one exists)

5 TRAINING STRUCTURE AND CONTENT

The trainers incorporated the results of the participants' needs analysis into the design of the sessions and took great care to adapt the content to the Malian context.

The workshop was organized around six training units:

Unit 1: *General introduction and presentation of the key determinants of an effective NGO*

Unit 2: *Day-to-day versus strategic management*

Unit 3: *Stages of strategic planning*

Unit 4: *Operational planning, "implementation" of the strategic plan*

Unit 5: *Financial management of an effective NGO, oversight of outputs and risks*

Unit 6: Ensuring the financial autonomy of an NGO

Sections 5.1-5.6 list the training units and describe the main topics discussed.

5.1 Introduction to the key determinants of an effective NGO

Profile of an NGO in Mali, concept of an “entity”

- Differences and similarities between NGOs, economic interest groups and enterprises
- Legal environment, rights and obligations of an NGO in Mali

An effective NGO or enterprise has...

- A strategic management approach
- A clearly defined mission
- Effective and efficient operational management
- A skilled and diversified team
- Financial and relational autonomy

5.2 Day-to-day versus strategic management

Definition of the strategic management approach

- Its purpose: to ensure optimal compatibility between the NGO and its environment
- Does the environment surrounding NGOs justify such an approach?

Action plan

- Planning is the first phase of the administrative cycle
- Role and responsibilities of management and the board of directors: who should prepare the action plan?
- The two key components of an action plan: strategic planning and operational planning

5.3 Stages of strategic planning

The training focused on four activities that should be carried out during the strategic planning process: clarification of the mission, study of the NGO environment, assessment of institutional capacities and strategy development. Each of these topics was presented to the group of participants through brief presentations and small group activities (teams of five or six participants).

Greater detail on the content of these training activities is provided below:

1. Clarification of the mission (the NGO's *raison d'être*)

A mission statement is like an organization's business card. It describes the organization in relation to its goal, its beneficiaries, its services and its sustainability.

2. Study of the environment in which a Malian NGO operates

– Technology	– Economy
– Partners	– Culture
– Regulatory framework	– Demographic issues
– Political and legal framework	–

The participants performed a background analysis by identifying the opportunities and threats of the environment in which they work on a daily basis. The results of this exercise, which is intended to be very practical, are compiled in Annex 2. The NGOs engaged in a lengthy and lively debate, and this was an opportunity to address many of their concerns.

Annex 2: Strategic planning, Stage 2 – Study of the NGO environment

OPPORTUNITIES AND THREATS FOR MALIAN NGOS

3. Assessment of institutional capacities

An initial assessment of the main strengths and weaknesses of each of the 25 NGOs was performed during our meetings with their representatives. The following table summarizes the conclusions of this activity and indicates the percentage of NGOs involved.

<u>Main Strengths</u>		<u>Main Weaknesses</u>	
– Dedicated staff	(52%)	– Inadequate management information system	(48%)
– Skilled staff	(52%)	– Personnel management and training needs	(52%)
– Sector specialization	(40%)	– Under-equipped	(36%)
– Dynamic board of directors	(32%)	– Absence of a fundraising mechanism	(36%)
– Good reputation	(28%)	– Heavy dependence on donors	(32%)
– Transparency of activities	(20%)	– Staff turnover	(24%)
		– Problems of access to outside information	(24%)
		– Restrictive legal framework for income-generating activities	(20%)

One of the four stages of institutional development is sustainability. An exercise on identifying the elements of this stage enabled participants to familiarize themselves with a self-assessment tool and helped them identify the weaknesses of Malian NGOs in the five following areas:

- board of directors and management
- service delivery and marketing
- financing
- human resources
- management information system

This exercise consisted of three steps:

Step 1: Small groups focusing on one of the five areas

Step 2: Presentation of each group's work to the full group

Step 3: Brainstorming by the full group to identify possible solutions

The information gathered during Steps 1 and 2 by each of the small groups and the observations expressed by other participants during the full group session are summarized below:

WEAKNESSES IDENTIFIED BY NGO REPRESENTATIVES

Re: Board of directors and management

- Lack of mission
- Poorly defined mission
- Board of directors does not fulfill its role
- Lack of action plan and programming
- Unclear breakdown of responsibilities among bodies
- Poorly defined or nonexistent organizational structure
- Confusion between the NGO's budget and the budget of the project that the NGO is implementing
- Lack of a human resources career development plan
- Lack of regular assessments
- Lack of external audits and irregular timing of internal audits
- Inadequate service delivery and marketing
- Poorly targeted services
- Doesn't know how to sell itself
- Lack of sufficient specific expertise to provide certain services
- Overly broad range of services provided
- Developing and maintaining relations

Re: Financing

- Weak fundraising from internal resources (dues, membership fees, service delivery)
- Insufficient technical capacity of NGOs to meet the requirements of their financial partners
- Difficulty of fundraising in the private sector
- Difficult access to bilateral, multilateral and public funding
- Lack of a strategic vision for mobilizing resources

Re: Management information system

- Inadequate information presented in budgets
- Inadequate information presented in financial reports
- Failure to observe accounting principles
- Inadequate information presented in the manual of procedures
- Poorly adapted information system

Re: Human resources

- Lack of qualified personnel for the areas of intervention
- Lack of an evaluation system
- Lack of a staff training policy

- Lack of a career path
- Lack of an incentive policy
- Lack of a mechanism for delegating responsibility and authority
- Lack of an internal communications mechanism

The solutions identified in Step 3 are intended to be carried out either directly by the NGO itself or by an organization that provides institutional support to the NGO. Annex 3 lists the solutions that were identified.

Annex 3: Identification of the strengths and weaknesses of participating NGOs

4. Strategy development

The development of a strategy involves three phases: development of effective programming, identification of institutional areas to be strengthened, and development of projects with specific activities and objectives along with one or more strategies.

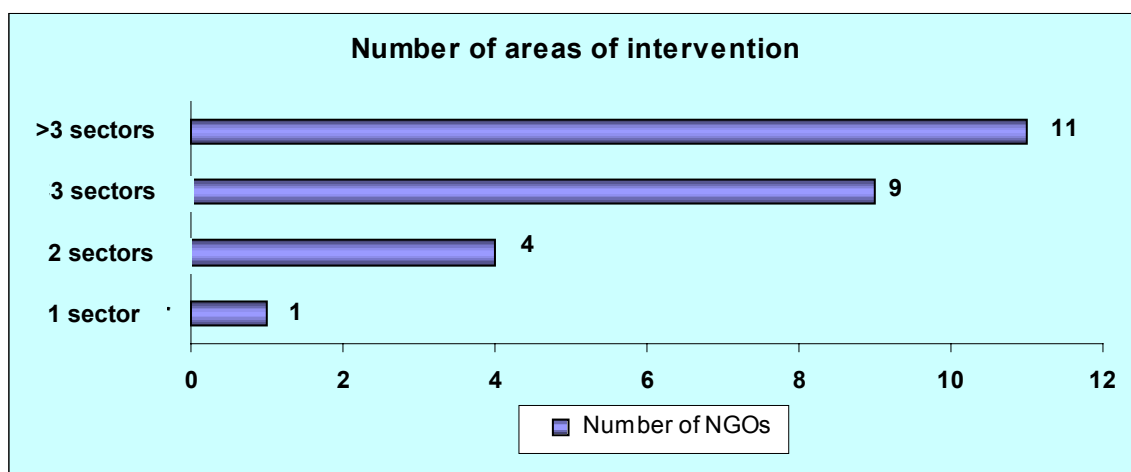
Phase 1: Development of effective programming.

At the meetings that preceded the training workshop, the NGO representatives provided us with a list of the sectors in which they intervene and specified their main area of intervention. This information is summarized in the following table:

<u>Main area of intervention</u>	<u>% of NGOs active in this area</u>
Education	60%
Economic development	4%
Health	8%
Governance and democracy	12%
Environment	4%
Agriculture	8%
Water engineering	4%

During the workshop, we facilitated a discussion on why it is important for any organization to remain true to its mission, as well as on the pertinence of managing many different sectors within the existing economic context. Malian NGOs currently rely on very limited resources to carry out their operations and, as a result, they cannot absorb the costs associated with the development of multiple fields of expertise without endangering their financial health.

Fully 44% of the NGOs are active in more than three sectors. We discussed the criteria for effective programming to ensure an optimal fit between the beneficiaries and the services which an NGO is capable of providing.



Phase 2: Identification of institutional areas to be strengthened so as to be better equipped to provide the services.

This section answers the questions “What capacities need to be improved?” and “How can we remedy the situation?”

The following table is based on the summary self-assessments made during the interviews. (Annex 3 provides various alternatives for overcoming these weaknesses.)

<u>Weak capacity reported</u>	<u>% of NGOs</u>
Planning	48%
Budgeting	48%
Fundraising	40%
Human resources management	32%
Management of material resources and liquid assets	32%
Capacity to develop relations with donors, etc.	24%
Financial monitoring and oversight	20%

Phase 3: Develop projects with specific objectives for effective and efficient implementation of the development strategy.

We presented two work tools, the logical framework and project planning and development, with an emphasis on the need to clearly define the objectives, along with measurable performance indicators that will enable the NGO to monitor its progress.

5.4 Operational planning

Operational planning is actually “strategy implementation.” There are three operational units – programs, administration and finances – that come into play.

1. “Programs” operational unit

The purpose of the “programs” unit is to develop projects, performance indicators, and monitoring and evaluation indicators.

The workshop participants discussed the objectives targeted by an effective program.

An effective program has two objectives:

- To provide quality services to a large number of beneficiaries
- To achieve and maintain the institution’s financial autonomy

2. “Administration” operational unit

The purpose of the “administration” unit is to gather an effective team, develop a management information system and identify the necessary material resources.

– Gather an effective team

Who is on your team?

Organizational and management structure

Responsibility for managing your most productive asset!

Job descriptions, training, compensation and performance evaluation

– Develop a management information system

Definition of a management information system

Who are the users?

What information do they need? Why?

The NGO’s financial reports, budgets and financial statements (content and use of this information)

– Identify the necessary material resources

The cost and number of computer equipment, office furniture and vehicle stock must be identified for the staff to be able to deliver quality services effectively.

3. “Finances” operational unit

We paid particular attention to the purpose of this unit because, based on the financial reports submitted by the NGOs, it seemed quite clear to us that the organizations do not possess well-developed skills in this area. Their reports covered individualized project accounting but omitted the organization as a whole. Managers are therefore poorly equipped to define financial performance indicators that could guide the NGO along the path to financial autonomy.

The purpose of this unit is to develop financial projections and define financial performance indicators to monitor and evaluate the organization’s progress. Practical exercises focused on the following topics:

- Calculating financial autonomy ratios

- Project accounting versus general accounting for the organization
- SYSCOA regulations that apply to NGOs – separate accounting for operating grants and investment grants
- Budget preparation and allocations to different activities
- Development of a capital budget

5.5 Financial management of an effective NGO

Financial managers have a critical role to play, not only in terms of planning, but also in terms of monitoring the organization's results and the risks from which they must constantly protect the NGO.

Accordingly, we chose to discuss with the participants the key role of the “oversight” function and the various responsibilities that fall under this function:

- Protect the NGO's resources
- Guarantee the reliability of the financial information
- Ensure that administrative procedures and policies are followed
- Ensure that applicable laws and regulations are followed
- Monitor the results of the action plan

Financial managers thus need to monitor the performance indicators defined as part of the operational planning process and report any discrepancies to stakeholders, along with the supporting documentation and proposed solutions so that the NGO can promptly take corrective measures if necessary.

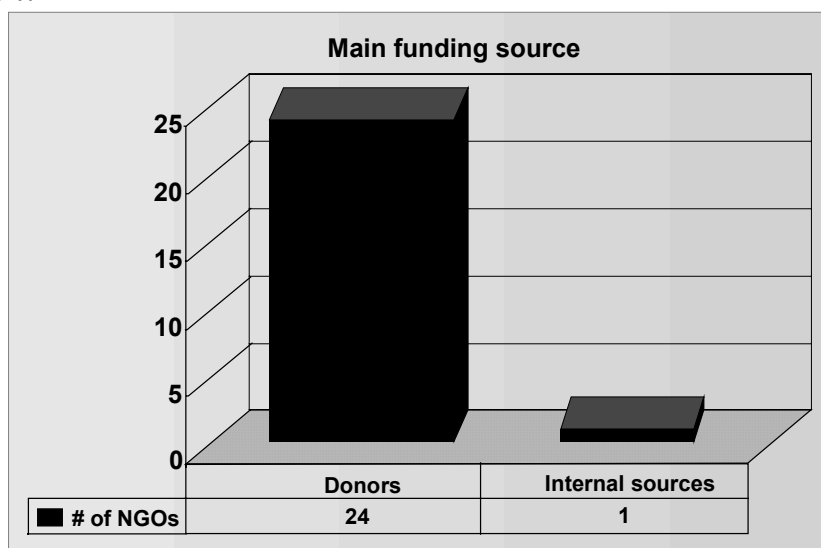
The elements of effective oversight include:

- Staff accountability
- Streamlined procedures, as written and as applied
- Ensuring the security of the NGO's resources
- Transparent and reliable information

5.6 Ensuring the financial autonomy of an NGO

Financial autonomy can only be achieved if the NGO manages to cover all its operating expenses with self-generated income. At the present time, the main income source is the donor community in more than 96% of cases.

Current situation:

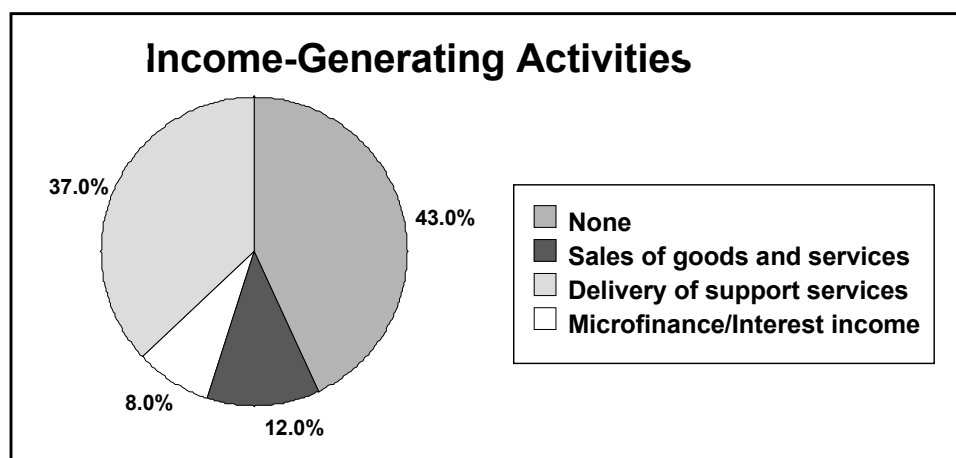


Since donors are making fewer and fewer resources available to Malian NGOs, we opened a discussion on the subject of “what to do?” Two paths, which are not mutually exclusive, may be followed by organizations. One is to increase the organization’s internal and external income sources, while the other is to reduce the organization’s operating costs without, however, affecting the quality of the services provided to beneficiaries.

Path 1: Increase the organization’s income sources.

- ☒ Increase its internal funding sources by:
 - Developing a strategy and then implementing income-generating activities
 - Regularly collecting membership dues

Our survey indicated the following breakdown of internal income sources:



- ☒ Increase and diversify its external funding sources.

We facilitated brainstorming sessions to generate ideas for fundraising activities that could be organized locally. We also provided several practical suggestions for successful fundraising.

The participants emphasized that a support organization would be better equipped than NGOs to coordinate fundraising activities on an ongoing basis. This support organization could recruit a specialist who would be charged with seeking funding sources for the NGOs and developing a communications plan for them.

Duplicated copies of the visual presentation of this session were distributed to all the participants as a reference tool.

- ☒ Maximize the organization's return on assets through improved management of its fixed and liquid assets.

These topics sparked considerable interest. Managers had the opportunity to develop an awareness of various banking regulations in effect in Mali and seemed surprised when simple demonstrations of calculations pointed to a rather attractive income source. Emphasis was placed on the need to develop a cash budget and then monitor it carefully in order to take advantage of certain requirements for investing liquid assets from a short-term perspective.

It would be useful to cover this subject in greater detail because the concept of simple and compound interest was met with a perplexed expression.

With respect to management of fixed assets, one possibility would be to rent out unoccupied space.

Path 2: Reduce expenses. Some of the suggestions presented to the group are listed below:

- ☒ Limit personal use of the organization's equipment.
 - examples: car, telephone, photocopy machine, etc.
- ☒ Recruit volunteers for certain tasks.
 - maintenance of computer equipment
 - accounting and legal services
 - lay-out of newsletters, design of brochures
- ☒ Negotiate reductions on the purchase of goods and services by joining with other NGOs and thereby increasing the organization's purchasing power.
- ☒ Share the cost of a documentation center with partners operating in the same area of intervention and the costs of an "Intranet" service for NGOs.

6 TRAINING METHODOLOGY AND TECHNIQUES

An andragogical approach was followed (*andragogy* is the science and practice of educational assistance in learning for adults with limited formal training), and the active teaching methods used during the workshop (brainstorming, small group work, presentations by participants, games) took into account the participants' level of knowledge and skills.

The choice of techniques was designed to encourage the group's full participation in the entire training workshop. It was noted on several occasions that sometimes turbulent exchanges greatly enhanced the workshop experience.

7 TEACHING AIDS

A number of written and audiovisual teaching aids were developed, and duplicated copies of many of these teaching aids were distributed to the group. A binder was provided to all the participants and to two representatives of the USAID Mission in Mali.

Annex 4 provides the table of contents of the binder.

Annex 4: Table of contents of the toolkit

8 EVALUATION AND FOLLOW-UP

A post-workshop evaluation of the training activity, which is provided in Annex 5, shows us that the general development objective, i.e. the institutional strengthening of NGOs, was achieved. In this regard, we can state that the transfer of new skills to the management team of each NGO is very likely to prove successful; in response to the first statement on the evaluation form, **"I can put this knowledge to use in my work,"** 80% of the participants answered **"I agree completely"** and the remaining 20% answered **"I agree somewhat."**

In addition, we believe that the participants, as decision-makers, will be able to play the role of mentor to other members of their staff and thereby motivate them to pursue the objective of developing an effective NGO. The ultimate outcome should be NGOs that are able to effectively and efficiently serve a greater number of Malians in the interest of all stakeholders.

The workshop's immediate objectives were also met. Each participant left with a *Toolkit of an Effective NGO*, containing:

- *techniques for maximizing assets*
- *tools for analyzing financial statements*
- *legal and accounting concepts specific to Mali*
- *ideas for diversifying internal and external funding sources*
- *solutions, identified by the small groups, for overcoming self-assessed institutional weaknesses*
- *a complete analysis of the environment in which Malian NGOs operate*
- *reference documents on the SYSCOA system*

- *guide(s) for developing and monitoring projects*
- *principles of effective and efficient human resources management*
- *administrative procedures that can serve as models, e.g. job descriptions, employee performance evaluations, purchasing procedures*
- *information on banking regulations in Mali for managing liquid assets*
- *new skills and attitudes of an entrepreneurial manager*
- *last but not least, renewed contact with their peers at other Malian NGOs*

Finally, from a broader perspective, 80% of the participants answered the question **“Overall, how would you characterize this training activity?”** by selecting the response **“It was highly satisfactory”** and the other 20% selected **“It was satisfactory.”**

Annex 5: Workshop evaluation

Follow-up to this training activity

With respect to workshop follow-up, the participants were again consulted. We asked them to indicate in writing any needs they felt for further examination of the topics addressed during the week.

Analysis of their responses highlights the following topics as priorities:

- ☒ Management structure and management of an effective team (tasks, evaluation, recruitment, motivation, training plan)
- ☒ Development of a manual or computerized management information system (design, implementation, staff training)
- ☒ Development of teaching aids (visual, etc.) for NGO staff training; andragogical (adult learning) approach
- ☒ Fundraising activities / Planning and logistics
- ☒ Budget oversight (procedures, forms, etc.); financial performance indicators
- ☒ Project accounting and institutional accounting; development of appropriate account titles

A complete list of the topics is provided in Annex 6.

Annex 6: Follow-up to this training activity

Annex 1: List of participants

LIST OF PARTICIPANTS

#	NGOs and Addresses	Participant	Position
1.	INAGEF Tel. 20 60 82/74 64 83, SOGONIKO; E-mail: inagef@malinet.ml Tel 20 60 82 /74 64 80, BP. E3736 Bamako; E-mail: inagef@malinet.ml	Aly Coulibaly Makono Diarra	Program Director President
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The Financial Sustainability of NGOs

#	NGOs and Addresses	Participant	Position
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TOTAL NUMBER OF INSTITUTIONS = 28		TOTAL NUMBER OF PARTICIPANTS = 39	

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Annex 2: Strategic planning, Stage 2 – Study of the NGO environment

Strategic planning, Stage 2 – Study of the NGO environment

8.1.1 OPPORTUNITIES AND THREATS FOR MALIAN NGOS

Current situation:

1. TECHNOLOGY	
OPPORTUNITIES	THREATS
<p>✓ Internet and new information technologies</p> <p>The technology group emphasized the advantages to be drawn from new information technologies.</p>	<p>✓ Program speculation</p> <p>A poorly protected computer network system exposes programs to the risk of hacking.</p>
<p>✓ Computerized program management</p> <p>The group believes that these new technologies permit more effective program management and also provide program access to the entire NGO staff through the computer network system.</p>	<p>✓ A lack of computer equipment leads to marginalization of the NGO</p> <p>According to the group, any NGO that does not possess and master computer equipment may not be able to keep up with other organizations within the environment of professional collaboration.</p>
<p>✓ Opportunities to expand the number of financial and technical partners and promote program exchanges</p> <p>The existence of the Internet facilitates contact with the outside world and opens the possibility of establishing relations with partners that share the NGO's areas of interest.</p>	<p>✓ Potential loss of information</p> <p>The existence of computer viruses could lead to the permanent loss of useful information, thereby jeopardizing successful implementation of the NGO's activities.</p>
<p>✓ Capacity-building on the Net</p> <p>The group believes that Internet access can be used to upgrade the professional capacities of employees through the many educational programs offered on the Net.</p>	

2. ECONOMY	
OPPORTUNITIES	THREATS
<p>✓ Existence of decentralized financial systems</p> <p>The economic issues group believes that the existence of decentralized financial systems provides an excellent boost to economic development in community-based sectors.</p>	<p>✓ Inadequate funding sources</p> <p>The group believes that funding sources are becoming more and more scarce. This situation could eventually threaten the survival of NGOs.</p>
<p>✓ Opportunity to undertake income-generating activities</p> <p>This point was the subject of a discussion on the concepts of “nonprofit organizations” and “income-generating activities.” The discussion clarified that “income-generating” does not necessarily mean “for profit.” It was agreed that, if the surplus income generated by an NGO does not go to the NGO’s developers but is used instead to fund services intended to satisfy beneficiaries’ needs, then the principle of a nonprofit organization is met. After this clarification, it was agreed that income-generating activities can be an opportunity to improve the NGO’s internal income.</p>	<p>✓ Poor management of decentralized financial systems</p> <p>Poor management of a decentralized financial system provides the best motivation for its clientele to stay away. If clients do not feel that their money is in safe hands, then they will no longer entrust it to the system. This, in turn, can eventually jeopardize the system’s survival and thereby undermine local economic development.</p>
<p>✓ Subregional economic integration</p> <p>The economic issues group believes that subregional economic integration in West Africa creates new opportunities for Malian NGOs.</p> <p>Indeed, according to the regulatory provisions governing the West African Economic and Monetary Union (WAEMU), Malian NGOs can conduct activities in any member country. This new arrangement thus creates new opportunities.</p>	
<p>✓ Offer of financial services (savings and credit) made available to NGOs by decentralized financial systems</p> <p>According to the economic issues group, NGOs may have easier access, and on more</p>	<p>✓ Increased competition (internally, due to the growing number of Malian NGOs , and externally, due to economic integration)</p> <p>The special permissions contained in the</p>

favorable terms, to credit and savings services that the decentralized financial system makes available to its clientele. Such a possibility creates an opportunity for developing NGO activities.	WAEMU treaty recommend opening the borders of member countries. Such a possibility will allow NGOs from other member countries to conduct activities in Mali, thus exposing Malian NGOs to dual competition: with other Malian NGOs (internally) and with NGOs in other member countries of WAEMU (externally).
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3. PARTNERS	
OPPORTUNITIES	THREATS
<p>✓ Favorable socio-political context</p> <p>The more democratic system of government now operating in Mali has greatly loosened the procedures for forming an NGO.</p>	<p>✓ Scarcity of funding sources</p> <p>The growing scarcity of funding sources ultimately jeopardizes the survival of NGOs.</p>
<p>✓ Availability of the government to facilitate NGOs' access to certain bilateral and multilateral funds (PAIB, FODESA, FDS, etc.)</p> <p>The government has initiated large development programs in the areas of intervention favored by NGOs (health, education, justice). The existence of these programs provides excellent opportunities for NGO activities. The opportunities are all the more real insofar as the government facilitates their access to implementation of these programs.</p>	<p>✓ Subcontracting is not generally conducive to full development of national NGOs</p> <p>The NGOs believe that, in general, the existence of intermediary organizations (PVOs) between donors and themselves is an impediment to their full development. They would like to deal directly with the funding sources rather than being limited to the role of subcontractor, which contributes more to the development of the PVOs than it does to their own development.</p>
<p>✓ Existence of various funding frameworks (USAID, CIDA, Embassy Funds, etc.)</p> <p>The presence of development partners such as USAID, CIDA and Embassy Funds in Mali is considered to be an opportunity that NGOs should seize in order to develop their programs.</p>	<p>✓ Financial dependency of national NGOs</p> <p>In this regard, the group believes that the excessive dependency of local NGOs toward international organizations exposes the NGOs to a significant risk, namely that the activities of a dependent NGO may be halted as a result of the end or sudden withdrawal of subsidies from the international NGO.</p>

4. CULTURE	
OPPORTUNITIES	THREATS
<p>✓ Opening the community to innovation</p> <p>Opening communities to innovation goes hand in hand with their participation in development programs that they believe are useful to them. For NGOs, this behavior is conducive to the creation and implementation of development programs targeting the communities.</p>	<p>✓ Persistence of a welfare mentality among beneficiaries</p> <p>The persistence of a welfare mentality causes beneficiaries to feel that they are not responsible for maintaining the facilities made available to them by NGOs. This behavior leads to repeating the same work time and again. Ultimately the NGO loses credibility with financial partners, who then terminate their support for the NGO's programs because they feel that they've supported the same activities several times with no lasting results.</p>
<p>✓ Religious tolerance</p> <p>Religious tolerance facilitates implementation of development programs within Malian communities.</p>	<p>✓ A cultural gap in development funding</p> <p>Those who control most of the capital in Mali are not interested in organized community development. In many cases they do become involved in the implementation of development actions, but NGOs almost never receive funding from the Malian private sector.</p>
<p>✓ Openness to the integration of women</p>	
<p>✓ Organization of traditional society by age bracket</p>	
5. REGULATORY FRAMEWORK	
OPPORTUNITIES	THREATS
<p>✓ Existence of an edict governing the association movement in Mali</p> <p>It was pointed out that Edict 41 of March 20, 1969 regulates the activities of associations in Mali. The group indicated that this edict facilitates the creation of associations without too many formalities.</p>	<p>✓ Governmental ignorance of statutes regulating NGOs</p>
<p>✓ Existence of a department responsible for NGO matters (CADB)</p> <p>The existence of a unit responsible for NGO affairs within the Administration of National Territory and Local Communities was cited. It was felt that this provides a</p>	<p>✓ Lack of regulations on the funding of NGOs</p> <p>The group indicated that the lack of regulations on the funding of NGOs is an impediment to the development of NGOs in Mali.</p>

clear advantage to NGOs.	
<p>✓ Tax-free status of NGOs</p> <p>NGOs are tax-exempt in Mali. This provision encourages their development.</p>	<p>✓ Improper use of Edict 41 of March 28, 1959</p> <p>Unscrupulous individuals have reportedly imported commercial products under false pretense by taking advantage of the provisions of this edict, thus undermining the credibility of law-abiding NGOs.</p>
	<p>✓ Existence of a legal vacuum</p> <p>A thorough critique of Edict 41 of March 20, 1959 was given. According to this critique, it turns out that Edict 41 solely concerns the activities of associations. It contains no provisions dealing specifically with NGOs, which are simply grouped together with associations and treated as such. The workshop was informed that this situation has led the entities charged with coordinating NGO activities to initiate a dialogue with national authorities to encourage the development of specific statutes governing NGO activities. The general observation was that the legal vacuum surrounding NGO activities in Mali opens the door to all types of abuse.</p>

[Note from translator: The preceding chart lists three different dates for Edict 41.]

6. DEMOGRAPHIC ISSUES	
OPPORTUNITIES	THREATS
<p>✓ Existence of a national population and health policy</p> <p>Mali's national population and health policy is a window of good opportunities for NGOs. The policy encourages the development of programs in these areas.</p>	<p>✓ Malaria/AIDS</p> <p>These two diseases represent a serious obstacle to the development of NGO activities in Mali. They impede the development of NGOs' human resources.</p>
<p>✓ Existence of national programs to control and prevent malaria, AIDS and poverty</p> <p>The national programs to control and prevent malaria, AIDS and poverty provide program development opportunities for helping targeted populations protect</p>	<p>✓ Poverty/lack of food security</p> <p>The group considers poverty and the lack of food security to be factors that impede the development of NGO activities. They can easily divert a population's attention to other objectives.</p>

themselves against these afflictions.	
<p>✓ Funding of local development activities with resources sent home from abroad (Association of Malian Nationals)</p> <p>The financial resources of expatriates play a critical role in funding local development and, as such, encourage the development of NGOs.</p>	
<p>✓ Existence of a decentralization policy</p> <p>The decentralization policy now being implemented in Mali offers a great opportunity to develop NGO programs.</p>	<p>✓ Out-migration</p> <p>When members of the working population move from their usual surroundings to other places and leave the elderly and children behind, there is a risk of permanent abandonment of their home region.</p>
<p>✓ Partners favorable to development actions</p> <p>The growing interest in development actions on the part of certain partners provides a fertile field for NGO development.</p>	<p>✓ Lack of security (crime, rebellion, etc.)</p> <p>A lack of security endangers the development of NGO activities.</p>
<p>✓ The emergence and involvement of civil society in the management of public affairs</p> <p>The emergence and involvement of civil society in the management of public affairs encourages the development of NGO activities.</p>	<p>✓ Conflicts within communities</p> <p>Conflicts within communities (both rural and urban) are an obstacle to the development process.</p>
✓ Existence of demographic statistics	
7. POLITICAL AND LEGAL FRAMEWORK	
OPPORTUNITIES	THREATS
✓ Easiness in creating NGOs	✓ Trivialization of NGOs
<p>✓ Political stability/democracy</p> <p>The political stability and democratic processes prevailing in Mali today are considered to be factors conducive to the development of NGO activities.</p>	
✓ Favorable international cooperation	
✓ Availability of the government's	

<p>technical agencies to NGOs</p> <p>NGOs enjoy greater and greater access to the government's technical agencies. This phenomenon influences their development.</p>	
<p>✓ Existence of sector development policies (PRDES, PRODEC, etc.)</p> <p>The Malian government has undertaken major sector programs (health, education, justice) with the participation of external funding sources. These programs provide good opportunities for developing NGO activities.</p>	

Annex 3: Identification of the strengths and weaknesses of participating NGOs

Identification of the strengths and weaknesses of participating NGOs

SOLUTIONS IDENTIFIED BY THE GROUP:

1. Help NGOs clarify their mission through training workshops. These workshops should be organized by area of activity.
2. The role of the board of directors and the role of management should be clearly defined; offer training sessions for the board of directors.
3. A strategic plan should be developed for each NGO; assistance from experts is desirable.
4. An operational plan should be developed for each NGO.
5. Staff should be well informed about the content of these plans and abide by them.
6. Strengthen the management structure by installing and implementing a good human resources management system.
7. Design and implement an accounting system for the organization.
8. Implement an effective system of oversight.
9. Develop a communications plan aimed at local, regional and international partners; work on the NGO's image; prepare brochures, etc. (reduced printing costs; group prices; etc.).
10. Identify local experts specializing in the NGO's areas of activity; develop a data bank.
11. Call upon such experts when necessary to compensate for staffing inadequacies within the NGO; i.e. an NGO could "lend" the services of one of its employees for a given period of time without worrying about losing the employee.
12. Carefully maintain relations between the NGO and donors. Such relations should be maintained by providing information forms, technical reports, financial reports or any other documents likely to be of interest to the funding sources.
13. Develop membership criteria that state the members' obligation to pay dues and that specify their rights and privileges.
14. Clearly express in the membership criteria the risk of losing member privileges and the right to participate in the NGO's activities if a member does not pay his or her dues in accordance with the agreed terms.
15. Organize briefings for donors and invite as many development partners as possible.

16. Provide useful information to donors at the briefings and answer any questions they may have about the NGO's bylaws and activities.
17. Adopt a management approach that focuses on the entire institution as opposed to the project management approach typically followed by NGOs.
18. Appoint a spokesperson to communicate with the government in order to facilitate NGOs' access to funding for major government programs currently under way.
19. Organize income-generating activities by designing and planning events (sporting events, cultural events, sales of products initially received by the NGO in the form of gifts, etc.).
20. Implement a good management information system (MIS). The system should be set up by an MIS specialist, which may require calling upon outside expertise through the support structure (possibility of negotiating lower rates for a group of NGOs).
21. Develop an "Intranet" for NGOs; advantages would include server cost-sharing and a better flow of relevant information; pursue web page development and staff training.
22. Develop an in-service training plan (annual schedule) for NGO staff members to help them master the tools of effective management.
23. Set up an audit system and specify the procedures and methods for implementing it.
24. Group together purchases of goods and services by member NGOs so that they receive a negotiated price.
25. Develop clear and objective performance criteria for staff evaluations.
26. Develop a training plan that addresses any weaknesses that have been identified.
27. Develop and implement a rational system for organizing tasks (i.e. the organizational structure) based on a clear description of jobs and responsibilities.
28. Organize training on negotiating techniques (win-win).

Annex 4: Table of contents of the toolkit

Table of contents of the toolkit

1.	Introduction Determinants of an effective NGO
2.	Strategic management approach <ul style="list-style-type: none">• Definition and concepts
3.	Key components of an action plan Strategic planning – 4 stages <ul style="list-style-type: none">• Stage 1: Clarification of the mission• Stage 2: Study of the NGO environment
4.	Strategic planning <ul style="list-style-type: none">• Stage 3: Assessment of institutional capacities• Stage 4: Strategy development
5.	Operational planning – 3 operational units <ul style="list-style-type: none">• <u>Programs</u> unit• <u>Administration</u> unit
6.	Operational planning <ul style="list-style-type: none">• <u>Finances</u> unit
7.	Financial management of an effective NGO <ul style="list-style-type: none">• Oversight of outputs and risks
8.	Ensuring the financial autonomy of an NGO <ul style="list-style-type: none">• Fundraising
9.	Ensuring the financial autonomy of an NGO <ul style="list-style-type: none">• Maximize the organization's return on assets
10.	Conclusion Other reference documents

Annex 5: Workshop evaluation

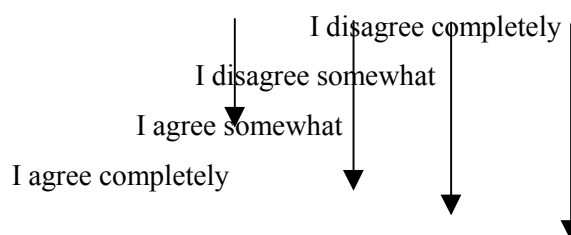
Workshop evaluation

TOOLKIT OF AN EFFECTIVE NGO SEPTEMBER 24-28, BAMAKO, MALI MSI/USAID



Workshop evaluation

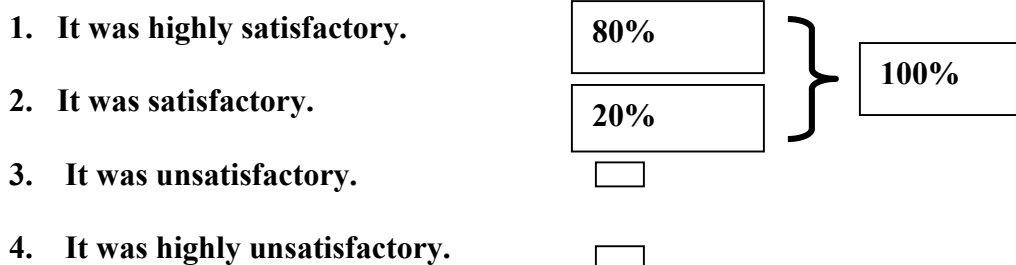
Instructions: Below you will find a series of statements about the training you have just received. Please indicate the extent to which you agree or disagree with each statement by using the following scale:



	1	2	3	4	1+ 2
1. I can put this knowledge to use in my work.	80%	20%			100%
2. The training was appropriate for my level of knowledge and skills.	69%	20%	11%		89%
3. The training addressed my concerns.	94%	6%			100%
4. I felt fully involved in the training.	80%	17%	3%		97%
5. The exchanges among participants were useful.	80%	20%			100%
6. The material conditions were sufficient.	91%	9%			100%
7. The selection and variety of training techniques facilitated the learning process	89%	11%			100%
8. The workshop facilitators made a valuable contribution					
Specify for each facilitator: J. Châteauneuf	100%				100%
Specify for each facilitator: D. Doumbia	83%	17%			100%
9. I found the facilitators to be good teachers					
Specify for each facilitator: J. Châteauneuf	94%	6%			100%
Specify for each facilitator: D. Doumbia	71%	29%			100%
10. The exercises were led in a dynamic manner.	91%	9%			100%

11. The facilitators* respected the needs and contributions of the participants. *N.B. The French term <i>intervenants</i> (“facilitators” or “contributors”) led to some confusion with respect to this statement; several participants reported that they interpreted it to mean “the individuals expressing their opinions.”	66%	34%			100%
12. The training materials and visual aids were very helpful.	89%	11%			100%

9 OVERALL, HOW WOULD YOU CHARACTERIZE THIS TRAINING ACTIVITY?



List of topics that you would like to examine more closely in future workshops:

Topics in which participants expressed the greatest interest:

1. Development of a manual or computerized management information system (design, implementation, staff training)
2. Management structure and management of an effective team (tasks, evaluation, recruitment, motivation, training plan)
3. Development of teaching aids (visual, etc.) for NGO staff training; andragogical (adult learning) approach
4. Fundraising activities; planning and logistics

Annex 6: Follow-up to this training activity

Follow-up to this training activity

Topics for Follow-Up	% and Number of Respondents Indicating Great Interest	
1. Assistance in developing an action plan	35%	12
2. Project development using the Logical Framework	44%	15
3. Assistance in conducting an institutional self-assessment	41%	14
4. Management structure and management of an effective team (tasks, evaluation, recruitment, motivation, training plan)	74%	25
5. Budget oversight (procedures, forms, etc.); financial performance indicators	50%	17
6. Development of a <u>manual or computerized</u> management information system (design, implementation, staff training)	76%	26
7. Project accounting and institutional accounting; account titles	50%	17
8. Analysis of financial statements for members of the board of directors	38%	13
9. Management of liquid assets (investments, cash budget)	44%	15
10. Development of teaching aids (visual, etc.) for NGO staff training; andragogical (adult learning) approach	62%	21
11. Fundraising activities; planning and logistics	68%	23
12. Communications plan for an NGO within its area of activity	50%	17
13. Administrative procedures and internal oversight	41%	14
14. Analysis of beneficiaries' needs	38%	13